

delivery of a controlled substance (cocaine). She is in jail on \$20,000 bond.

■ Timothy W. Shepherd, 26, of Streator: one count of burglary. He is in jail on \$60,000 bond.

■ Brianna R. Vanderwater, 25, of Ottawa: one count of possession of a controlled substance. She was released on \$50,000 bond.

■ Melissa J. Samolinski, 31, of LaSalle: one count of possession of a controlled substance. She is in jail on \$10,000 bond.

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THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Invites Public Comment on the STATEMENT OF BASIS for KEYSTONE STEEL & WIRE COMPANY PEORIA, ILLINOIS

The United States Environmental Protection Agency (U.S. EPA) is managing environmental corrective action at the Keystone Steel & Wire Company facility, located in Peoria, Illinois. The corrective action is being performed by Keystone Steel & Wire Company under the authority of the Resource Conservation and Recovery Act (RCRA). The Statement of Basis prepared by the U.S. EPA provides a summary of Keystone Steel & Wire Company's investigation of contamination at and from their facility, and a summary of Keystone Steel & Wire Company's study of viable remedies. This Statement of Basis also specifies the remedies proposed by the U.S. EPA to clean up contamination at and from the facility.

The U.S. EPA is issuing this Statement of Basis as part of its public participation responsibilities under RCRA. The fact sheet summarizes information that can be found in greater detail in the RCRA Facility Environmental Indicator Assessment Report and other site related documents contained in the administrative record for this facility. These documents can be found in the information repository located at:

Peoria Public Library
107 NE Monroe Street
Peoria, Illinois 61602
(309) 497-2000

Alpha Park Public Library
3527 South Airport Road
Bartonville, Illinois 61607
(309) 697-3822

The public notice regarding the corrective action to be performed can be viewed at <http://www.epa.gov/reg5rcra/wptdiv/permits/index.htm> The U.S. EPA will accept and consider public comments on the proposed plan from August 1 through September 16, 2005. Written comments can be submitted to the U.S. EPA at the address listed below.

Written comments can be sent to:
Jonathan Adenuga
U.S. Environmental Protection Agency
77 West Jackson Boulevard, DE-9J
Chicago, Illinois 60604
call toll free (800) 621-8431 or directly (312) 886-7954

Business

on 4

Monday, December 1, 1986

Steel firm breaks mold and it pays

By Matt O'Connor
Chicago Tribune

BARTONVILLE, Ill.—Six years ago, Keystone Consolidated Industries' largest plant, located here, appeared doomed.

The facility, one of the largest employers in the Peoria area, was outdated and losing \$2 million a month when Dallas investor Harold Simmons, sensing opportunity in an undervalued stock, bought a controlling stake in Keystone. Folks figured the reputedly ruthless Simmons would close the plant if Keystone didn't beat him to it.

Yet the plant survived and eventually prospered because of cooperation from all sides: Management made the tough cuts necessary, an enlightened union convinced workers the company's survival depended on big concessions and Simmons lent his support but stayed out of day-to-day matters.

Now Keystone is about to embark on a project that should ensure the facility's competitiveness into the next century. The company is wrapping up financing on a \$40 million modernization of the Bartonville steel mini-mill. The investment will give Keystone an efficient, low-cost and high-quality source for steel rods, the raw material for its wire, barbed wire, fence and nails.

"What a difference a couple of years makes," said Nicholas R. Owens, Keystone's president and chief operating officer. "Here's a company that was going down the tubes and now we're making acquisitions and growing."

Since March, Keystone has bought two wire products companies in Wisconsin and Texas and is on the hunt for further acquisitions in related businesses.

But the battle has just begun. Three major challenges remain for the company:

- Returning Keystone to profitability. While the company's wire products operation has posted profits for four consecutive

Continued on page 5

Keystone president Nicholas Owens surveys the coils of wire that bring in profits at the plant in Bartonville, Ill.

Cover photo by Ernie Cox Jr.



Steel

Continued from page 1

years, Keystone overall has continued to pile up losses. In the five years ended last June 30, its losses totaled \$58.2 million, staggering for a company with a current market value of about \$14 million.

The key to Keystone's rebound lies in turning around its Rockford-based National Metalcrafters division, which makes specialized nuts, bolts and other fasteners for the auto industry. Owens said the operation, hurt by a long, costly labor dispute, is now posting an operating profit.

The improvement helped Keystone post earnings of \$1.4 million, or 74 cents a share, in the fiscal first quarter ended Sept. 30, usually the company's second weakest period. A year earlier, the company had a loss of \$1.3 million. Tax-loss carryforwards boosted earnings by \$640,000 for the 1986 quarter.

"This isn't a fluke. There's a definite turn in the business," said Tim O'Brien, branch manager for Dean Witter Reynolds Inc. in Peoria.

● Easing its unfunded pension liability problem. For a company its size, Keystone's unfunded pension liabilities are sizable, \$43.2 million as of June 30.

A Keystone official in its Dallas headquarters said the company pays out more than \$14 million a year to fund its pensions, including about \$2 million targeted toward reducing its unfunded liabilities. "It's a big cash drain on the company each year," Owens said.

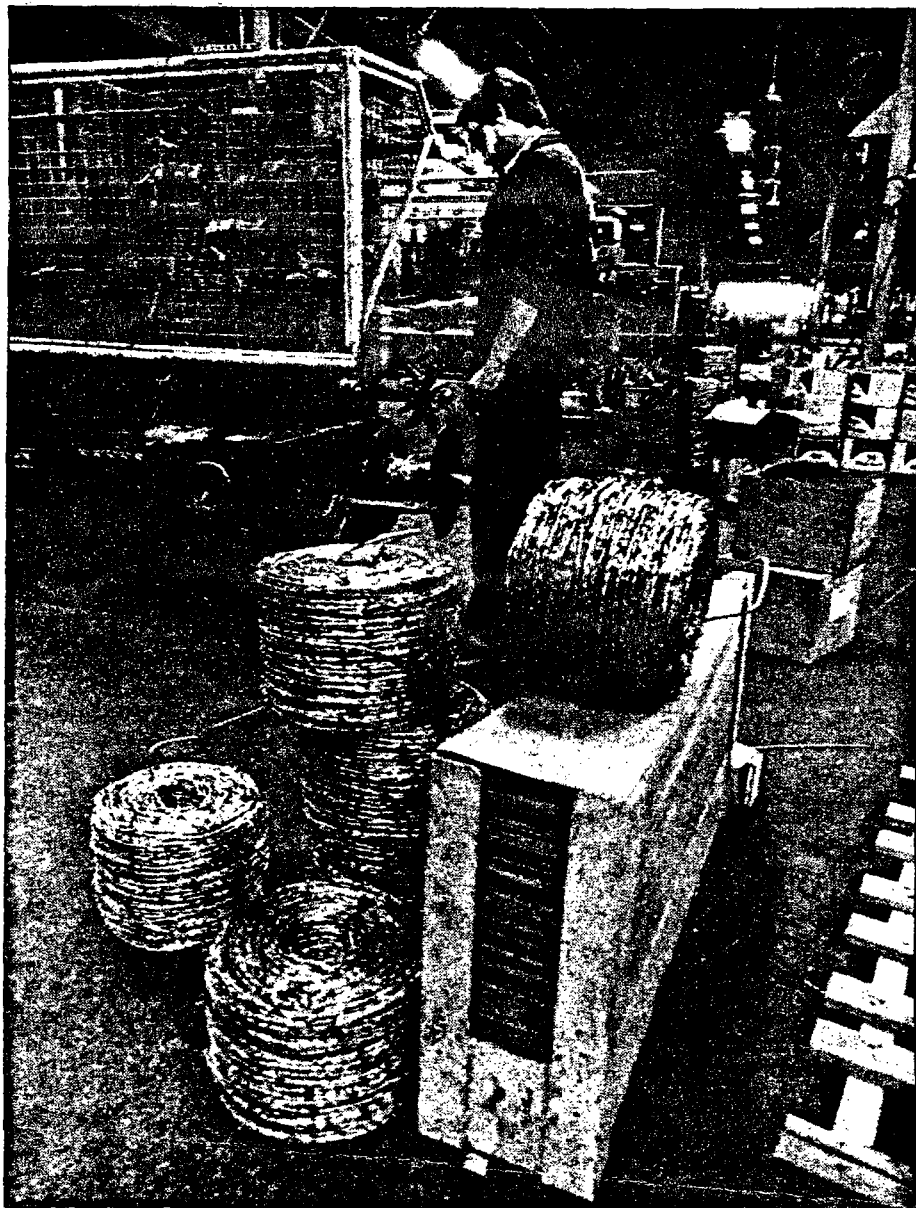
● Preparing for increased foreign competition. Owens estimated that imports already capture more than half of the U.S. market for nails, an important Keystone product, but Keystone fears imports of wire products will flood into the country after the Reagan administration's Voluntary Restraint Agreements expire in October, 1989.

The modernization of its Bartonville mini-mill is considered critical to Keystone's success. The project, expected to be completed late next year, will nearly double the capacity of its rod mill and include improvements to a continuous caster and electric arc furnace.

Owens sounded confident of securing bank financing for the project. He won Simmons' support in loan negotiations after workers at the Bartonville plant last June approved a three-year contract extension that maintains a freeze on wages [in return for a sweetened profit-sharing plan].

The State of Illinois has helped out by giving Keystone a \$1 million low-interest loan for the project.

Winning workers' help has been cen-



Tribune photo by Ernie Cox Jr.

A worker checks the operation of a machine in the nail and barbed wire section of Keystone's Bartonville, Ill., plant.

"What a difference a couple of years makes. Here's a company that was going down the tubes and now we're making acquisitions and growing."

—Nicholas R. Owens,
Keystone president and chief operating officer

Production jobs were combined and responsibilities increased. But production incentives remained [wages, as a result, still average close to \$12 an hour], leading to a boom in productivity.

"Our guys rolled up their sleeves and really went to work," said Jack Slater, president of the union at the Bartonville plant.

As a result, Keystone's wire operations ended seven years of consecutive

company," he said.

The books behind Owens' desk illustrate his mindset in recent years: "Crisis Management," "Competitive Strategy" and "Going for Broke."

The 45-year-old Owens, who operates out of Bartonville, has been the key figure in the turnaround. He worked his way up from a \$2.10-an-hour sweeper's job. His blunt and open style won workers' respect. He has kept the union's support by keeping its leaders informed on the